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## IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant(s): Sanders, et al.

Application No.: 10/776,069

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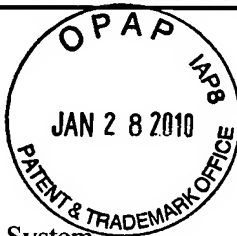
Title: An Improved Internet Directory System

Attorney Docket No.: 50160

Commissioner for Patents

P.O. Box 1450

Alexandria, VA 22313-1450

Art Unit:  
2168Examiner:  
Morrison

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APPEAL BRIEF**(i) Real Party in Interest**

The real party in interest is Susan Q. Sanders.

01/29/2010 SDENR083 00000058 10776069

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270.00 OP

**(ii) Related Appeals and Interfaces**

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There are no known prior and/or pending appeals, interferences, or judicial proceedings known to appellant, the appellant's legal representative or assignee, which may be related to, directly affect or be directly affected by, or have a bearing on, the Board's decision on the pending Appeal, to our best knowledge, SAVE AND EXCEPT the prior appeal in this case, Appeal No. 2008-1004. See copy of "Prior Decision" in Related Proceeding Appendix.

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**(iii) Status of the Claims**

Claims 1-43 are pending. Claims 1-43 are rejected. Claims 1-43 are appealed. The independent claims are system claim 1 and method claim 22.

**(iv) Status of Amendments**

No amendment has been filed subsequent to the Final rejection.

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**(v) Summary of Claimed Subject Matter**Concise Explanation of the Subject MatterDefined in Each Independent ClaimBACKGROUND TO SUMMARY – FOR CONTEXT

Statement of the Problem and Prior Art Solutions – [Spec. page 1 line 20 –page 2 line 13]; -[Spec page 2 lines 23-24, page 3 lines 1-6]; -[Spec page 3 line 9-21]; -[Spec page 5 line 10- page 6 line 9]

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Search Engine Prior Art – and its Drawbacks

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"Due to the enormous volume of content associated with the Internet, it is not unusual for search engines to identify thousands, if not millions of web sites as the outcome of a single search query. These results are bundled and presented to the User in groups of 10 to 25. The viewer is automatically presented the first group/page of sites, then must request any additional listings. As a result, the competition is stiff to be included in the top/first group of websites. Some websites pay fees to boost their rankings, while others might enter into strategic partnerships

5 or reciprocal agreements to improve their position. As a result the top listings may not be the best websites, or most the popular in that category.

#### Internet Directory Prior Art, and its Drawbacks

10 "By contrast, Internet Directories organize the web by super categories, then by categories and subcategories. This allows users to further define their search at each new level, reducing the number of potential "hits," and increasing the quality of the response. Fig. 1 provides a flow chart of Internet Directories' prior art. A user first chooses an Internet Service Provider (ISP) or Search Engine 10, electing to use its Internet Directory for the search, reviews a predefined list, and with the click of a mouse selects a specific field or super category 12. 15 With each click, the universe of the search is narrowed and the User is moved to the lower level of categories 13. The process continues to subcategories 18 until the options are reduced to a manageable size and the targeted URL is located. A hypertext link then transports the user to the desired site. 20

25 "A drawback to this approach is each category/subcategory needs to be monitored, managed and updated to ensure the quality of the directory and the success of a search. With a potential of thousands or even millions of categories and subcategories this can be a costly proposition."

#### Open Directory Project Prior Art, and its Drawbacks

30 "To manage this problem, Open Directory Project" (copyright 1998-2003 Netscape) enlists the services of almost 55,000 volunteer editors. These editors cannot begin to cover the over 460,000 categories or the 3.8 million websites (only about 10% of Google's websites) in the Open Directory database. These volunteers get paid nothing, and as is 35 best understood have little or no training and do not have a vested interest in the success of the site."

#### Electronic Yellow Pages Prior Art, and its Drawbacks

40 "A subset of Internet Directory is the Electronic Yellow Pages (EYP). The EYP is an electronic version of the Yellow Pages Telephone Books. ... Like the Internet Directories, each EYP operates as an individual business. There are several drawbacks to this monolithic business model. First to compete, each competitor replicates this enormous structure. This means the same basic service is being offered 45 to the same universe of businesses. With over 3 million EYPs, the dollars from listed businesses and from advertising is thinly spread across the EYP industry. Second, EYPs that charge to list a business will have incomplete databases that can limit EYP effectiveness and value to users." 50

#### Independent Directory Websites Prior Art, and its Drawbacks

55 "To provide category management and specialized support, there are a growing number of independent Directory Websites. These websites provide a list of businesses in their category with hypertext links to related webpages. As independent businesses dedicating to providing a Directory Website (also known as a portal) for a specific category, they

5 can tailor their website and the services it provides to best support that category.

10 “Unfortunately, all these sites are not listed in an Internet Directory Service, and the URLs do not identify them as directory sites, making them difficult to locate. When one is located, it may or may not contain the comprehensive listings expected. For example, “doctors.com” does not provide a roster of all medical doctors by location and specialty, but does list 10 health associations with links to their sites. On the other hand, “physicians.com” does list medical doctors, but only plastic surgeons. “Lawyers.com” provides a comprehensive list of all the attorneys and law firms in the United States, but “attorneys.com” does not. It is hit or miss to both find these sites and to find sites with comprehensive listings.”

20 Solution of Instant Invention [ Spec page 5 line 10 – page 6 line 9]

25 “The basic system of the instant improved Internet Directory includes at least one upper- level Directory Provider (DP). The upper-level Directory Provider is envisioned to be one (or more) ISPs or Search Engines, but could be a different entity with suitable capabilities. The DP (which may be frequently referred to as if it were an ISP) maintains a directory referencing all participating independent directory websites, referred to as Category Directory Websites (CDWs). The System includes identification of the CDWs by some mark, preferably a portion of a URL, and the imposition of a business plan or business model, primarily on the CDWs. At least one aspect of a business plan or model may be imposed at the DP level. At least one DP may have imposed on it a standard of comprehensiveness in covering all relevant categories with a CDW. The business plan or model may have portions focused toward the economics of the System and portions focused toward user standards, including user attraction/retention/affinity issues. For instance, user standards could provide a standard for design, technology and content of a CDW site.”

40 “The System includes a plurality of participating CDWs, independently owned, at least with respect to each other and the at least one DP. (Of course, some CDWs could end up commonly owned or controlled.) The CDWs are for-profit and provide a directory with respect to a category, referencing therein all participating and/or relevant websites (WSs). At least some of the WSs should be charged for at least one service. One service could be simply the listing. The WSs might be charged only for enhancements of their listings. The business model or plan preferably provides for a CDW to be substantially funded by payments from WSs, and for expenses for advertisement by the CDWs in order to promote the category and/or the site, being substantially offset by income from offering advertising space on the site. Alternately, an advertising firm could trade one for the other.”

55 “The business plan or model might include elements intended to attract and retain user affinity, such as relevant category definitions; common, uniform and user friendly organizational structure for the directories; requirements of comprehensiveness for securing a sufficient number of and percent of participating websites taking into consideration the nature of the category; minimum standards for updating website

5 references, including adding new websites and deleting no longer viable websites; and quality standards for requiring a certain quality of presentation for participating websites.”

Concise Summary of Independent Claims 1 and 22, with reference to Spec and Drawings

10 PRELIMINARY NOTES

(In the discussion below, CDWs will be referred to as “lower level directories,” rather than “Category Directory Websites.” It appears from the prosecution history that reference to “Category Directory Websites” might have lead to confusion. “Category Directory Websites” is a defined term referring to “participating independent directory websites” maintained in a directory by an upper level directory provider. Spec page 5 lines 10-15. These participating independent directory websites provide a directory of websites with respect to a category. Spec page 5 lines 23-26. The categories are referenced by the upper level directory. See Fig. 2: “10” is the upper level “directory of directories,” “14” is the “lower level directory” of websites. The name “lower level directory” should avoid confusion.

There are three key “players” in Applicant’s system:

- 20
- the DP, the upper level directory provider;
  - the CDW, referred to herein as the “lower level directory” provider; and
  - the WS, the underlying websites being referenced.

It is important that the three players be kept distinct. At times the Action made Final appears to refer to Pricewatch as an example of a lower-level directory and then later refers to Pricewatch as if it were an upper-level directory provider. But:

- 25
- the upper-level directory is a “directory of directories,” e.g. of “lower level directories.”
  - the “lower-level directory” is a “directory of websites” e.g. the sought-after content providers.)

CONCISE SUMMARY – SUBJECT MATTER – INDEPENDENT CLAIMS

30 The invention comprises an improved Internet Directory System and method (Fig. 2) that organizes the Internet content into fields and categories and facilitates searches to locate relevant websites by category, and sub-category, accomplishing this goal through incentivizing hundreds of independent for-profit lower level directories to participate, including being uniformly organized under a common business plan and located and indicated by a common service mark, and who follow uniform practices such as preferably culling out damaged and abandoned sites.

Claim 1 includes four elements:

35 The first element includes an upper level directory provider (DP), [10, Fig 2 above line 20; Spec page 11, lines 3-6, page 13 lines 15-27] providing a directory of lower level directories, [14 of Fig 2] organized by upper level fields and super-categories and categories [12 in Fig 2, Spec page 13 line 28 – page 14 line 9.] The upper level directory provider references hundreds of independently owned, for-profit lower-level directories 14 related to the upper level categories 12. [See 14 and 12, above and below

5 line 20 of Fig 2; Spec page 2 lines 7-9, page 4 lines 7-11.] The lower level directories are organized by lower level categories and subcategories. [16, 18 in Fig 2]

The second claim element provides that the hundreds of lower level directories comprehensively reference viable websites related to a category. [Spec page 11 lines 9-17, page 13 line 28 – page 14 line 9.]

10 The third element provides that the lower level directories are identified as participating in a unique source of an internet directory system by the common display of a licensed service mark. (A URL portion can function as a service mark, preferably the TLD.) The service mark indicates participation in the unique Internet Directory System. [Spec page 3 lines 14-15; page 5 lines 15-16; page 8 lines 27-28; page 12 lines 21-23; page 13 line 8-10; page 15 lines 21-22.]

15 The fourth element provides a business model, imposed on the lower level directories by the directory provider or system. The business model includes standards of operation of uniform organization, comprehensiveness of reference and up-to-dateness appropriate for lower level directories. [Spec page 15 lines 13-17; page 17 lines 14-15; page 18 line 15; page 19 lines 1-4].

Method claim 22 includes five steps. It is a method for participating in an Internet Directory System. [Spec page 15 line 18 – page 19 line 5; Fig 4]

20 The first step is organizing an independent, for-profit directory website to comprehensively reference viable websites within a category. [Spec page 15 line 18 – page 18 line 15]

25 The second step is participating in an Internet Directory System by said directory website by contracting to be referenced as one of hundreds of participating “lower level directories” in an independent, upper-level directory. The upper level directory is organized according to upper level fields into super-categories and categories, and reference the lower level directories. [Spec page 12 line 25-26; page 13 line 19; page 18 line 11-15];

30 The third step comprises licensing and displaying a URL portion or a mark as a service mark by the directory website (lower level directory). The mark functions as a service mark common to the hundreds of participating lower level directories. The mark identifies the directory website as participating in a unique source of an Internet Directory System. [Spec page 15 lines 21-25; page 18 lines 8-10]

The fourth step is the lower level directory abiding by a System or upper level directory provider-imposed business model, the business model including operational standards of uniform organization, comprehensiveness of referencing and up-to-dateness. [Spec page 18 line 15]

35 (vi) **Grounds of Rejection to be Reviewed on Appeal**

Rejection Under §103 Whether the claims 1-11, 13-37, 39 and 41-42 are obvious over Pricewatch in view of Yahoo and Lee.

(vii) **Argument**

**Preliminary Discussion**

40 **Claim Amendments in Light of “Prior Decision”**

5 Independent claims 1 and 22 have been amended in light of the Prior Decision (attached) to clarify several points, as suggested. Claim 2 now recites: (1) in the first element, that the upper level directory provider references hundreds of independently owned, for-profit lower level directories. (Such amendment structurally addresses the limitation of comprehensiveness.)

10 The second element has been amended to recite: (2) that the hundreds of lower level directories (also called Category Directory Websites or CDW's) each provide a lower level directory comprehensively referencing viable websites relating to a category. (Thus, the role of providing a "directory" is seriously addressed.)

15 The third element has been amended to recite: (3) that the lower level directories are identified as participating in this system by a display of a common licensed service mark (or a URL portion that functions as a service mark, preferably a TLD.) The common service mark is displayed by the hundreds of lower level directories to indicate participation in a unique source of an internet directory. (Thus, applicant's intended meaning of the term "mark" is clarified.)

20 The fourth element has been amended to recite: (4) a business model imposed on the lower level directories that includes standards of operation of uniform organization, as well as comprehensiveness of reference and up-to-dateness, with respect to the provision of lower level directories.

(Independent method claim 22 has been analogously amended. The first step adds comprehensively referencing viable websites within a category, providing thereby a lower level directory. The second step includes contracting to be referenced as one of hundreds of participating lower level directories in an upper level provider's upper level directory of lower level directories. The third step has  
25 been amended to recite licensing and displaying a URL portion or a mark as a service mark by the lower level directory, the mark functioning as a service mark common for hundreds of participating lower level directories, identifying the lower level directory as a participant in a unique source of an internet directory system. The fifth step has been amended to recite abiding by a business model including operational standards of uniform organization, comprehensiveness of reference and up-to-dateness with respect to the  
30 provision of the lower level directory.)

#### The Amendments above Relate to the Problem and Solution and Motivation

Applicant has clarified that applicant claims a comprehensive, uniform, identifiable internet directory system. Applicant addresses the problem of inadequate prior art Internet Directory Systems. See spec [0003-0015]. Applicant addresses the lack of hundreds (or thousands) of suitable, identifiable  
35 lower-level directories treating a "category" at a manageable level, the lower-level directories easily locatable and recognizable, exhibiting basic uniformity in organization and comprehensiveness. See Spec [0013-0015]. The claim limitation of "hundreds" (or thousands) of lower-level directories "structurally" addresses the feature of "comprehensiveness." The claim limitation of a common service mark "structurally" addresses the feature of "easily locatable and recognizable and uniform lower level  
40 directories" participating in the Internet Directory System. The claim limitation of the lower level

5 directory having a business model requiring “uniform organization,” “structurally” addresses the desired feature of basic uniformity in organization among “lower-level directories,” for user convenience.

Applicant also teaches and discloses an incentive system that incentivizes the creation of the hundreds (or thousands) of such “suitable” lower-level directories. At least one business wide system of cash flow is taught (Spec ¶¶s [0028-0060] Figs. 3a, 3b,) to incentivize the creation of the hundreds of  
10 lower level directories with stable revenue streams, including means for increasing basic underlying content-providing website visibility. The solution is enabled by the claimed structure of an upper-level directory (referred to as directory provider or DP) with disclosed means for financially incentivizing the formation of hundreds (preferably thousands) of independent for-profit lower-level directories having certain common structure and common identification. The upper-level directory is incentivized to act  
15 because the lower-level directories remit value to the upper-level directory. (See dependent claim 43 and spec [0064].) The lower-level directories are incentivized to form because the System can provide an attractive cash flow given the requisite structure for being located and recognized and the ability to share in synergistically enhanced, system-wide goodwill, and based upon uniformity in organization and comprehensiveness, all of which enhance user convenience. See Spec ¶¶s [0070-0076]

#### 20 EXAMINER ERRORS

The Examiner errs in identifying three major limitations in the prior art.

#### Limitation I, The Service Mark Limitation – Claims 1, 2, 4, 22, 24, 25

Claims 1, 2, 4, 22, 24 and 25 are argued together. Claims 2 and 24 and 4 and 25 are also further argued separately in regard to Limitation I.

#### 25 Claim 1

“...the CDWs being identified as participating in the System by the display by each CDW of a common licensed service mark, or a common URL portion functioning as a service mark, the common service mark being displayed by the hundreds of CDWs to indicate participation in a unique source of an internet directory system;”

2. The System of claim 1 wherein the CDWs are identified as participating in the System by display of a common URL portion.

35 4. The System of claim 2 wherein the URL portion includes a TLD.

#### Claim 22

40 “...licensing and displaying a URL portion or a mark as a service mark by the directory website, the mark functioning as a service mark common to the hundreds of participating CDWs, identifying said directory website as a participating Category Directory Website in a unique source of an internet directory system;”

45 24. The method of claim 22 wherein the displaying includes displaying a URL portion.

5                   **25. The method of claim 24 wherein the URL portion  
comprises a TLD unique to CDWs in the system.**

Prior claim 1 recited:

10                   **the CDWs being identified as Category Directory Websites  
participating in the System by at least a mark or a URL portion;**

      The “Prior Decision” related only to prior claim 1 and found as follows:  
(Decision page 13 line 9 – page 14 line 4:)

15                   Appellants also argue that the Examiner fails to find CDWs  
“[i]dentified as Participating in the System by at Least a Mark or a URL  
Portion” (App. Br. 6). However, the Examiner finds that Pricewatch  
20                   “shows participation in the system is contained in every participating are  
in fact identified by the ‘Buy Online’ URL” (Ans. 20). Therefore, the  
issue we address on appeal is whether the Appellants have shown error in  
the Examiner’s finding that Pricewatch discloses “participating in the  
System by at least a mark or a URL portion” (claim 1).

25                   Pricewatch discloses that, for each category in the lower level,  
there are “Buy Online” URLs provided to participate in the Pricewatch  
(FF 4.) We agree with the Examiner’s finding that Pricewatch discloses  
or at the least suggests a mark or URL portion, as set forth beginning at  
page 6 of the Answer, and the Examiner’s corresponding arguments on 19  
of the Answer.

30                   **Though Appellants contend that “no reasonable consumer  
would view a ‘Buy Online’ link as a mark, or a URL portion, which  
identifies an entity, such as a Category Directory Website, as  
participating in an Improved Internet Directory System, Appellants’  
claims simply do not place any limitation on what the “mark” or  
“URL portion” is to be, to represent or to mean, other than that  
35                   Category Directory Websites are identified as participating in the  
System by the mark or URL portion. We find that the “Buy Online”  
link is a mark/URL portion that identifies whether the participating  
advertiser/website is participating in the Pricewatch, and thus the  
user is able to buy the item online from the participant/website.**

40                   Appellants claims have been amended to place limitations on what the mark or URL portion “is to  
be, to represent or to mean,” e.g. “a common licensed service mark, displayed by hundreds of the lower  
level directories to indicate participation in a unique system.” Applicant claims lower level directories  
(CDW’s) identified as participating in “the System,” a unique source, by a “common licensed service  
45                   mark” (preferably a URL portion, more preferably a TLD.) Importantly, being able to readily identify  
“participating lower-level directories” solves part of applicants’ problem, as discussed above.

50                   The Pricewatch “Buy Online” link is functional. As such, Pricewatch, under Trademark and/or  
common law, could not prohibit others from using a similar or identical “Buy Online” link. The “Buy  
Online” link is legally incapable of indicating participation in a unique system or of serving as a service  
mark. For a mark to identify a unit as participating in a System, the mark owner must be able to prohibit



5 non- participants from using the mark. Inherent in the use of the term “mark” to identify participants in a unique System is the notion of “an enforceable mark.”

In the Action made Final, the Examiner continues the identical prior rejection, citing Pricewatch “page 3” for the service mark Limitation I of claim 1, e.g. “page 5” for the limitation of the URL portion service mark of claim 2 and “pages 1 – 3” for the limitation of the TLD service mark of claim 4. Claims 10 22, 24 and 25 are rejected on “analogous grounds.” Again, applicant has amended the prior limitation to clarify what the mark (preferably URL portion, more preferably TLD) “is to represent and to mean.” Applicant clarifies that each (of the 100s) lower level directory displays “a common licensed service mark” (or a common URL portion functioning as a service mark, preferably a TLD.) The limitation further recites that the display (of the common service mark by the hundreds of lower level directories) 15 indicates their participation in a unique source of an Internet Directory System. Applicant submits that Pricewatch’s “Buy Online” link does not so function. Pricewatch’s “Buy Online” link is not and cannot be a “service mark.” “Service mark” is statutorily defined as a word, name, symbol or device or combination thereof used by a person to identify and distinguish the services of one person, including a unique service, from the services of others, and to indicate the source of the services. (15 USC §1127). 20 By statute and common law, a mark owner can prohibit others from using the mark. The Trademark Manual of Examining Procedure, §904.07(b), clarifies that “merely informational matter” or a term that merely “identifies a process, system, or method” used with services, does not “function as a service mark.” See also Trademark Manual of Examining Procedure §§ 1202.04, 1301.02(a) and 1301.02(3).

Accord: In re Global Determinates Inc. 2006 WL 3147911 (Trademark Trial and Appeal Board 25 2006). In *In re Global* registration of a purported “mark” was refused because “to function as a mark,” the asserted mark must be used in a way that identifies and distinguishes the sources of the services. The mark in *In re Global*, as here, was a term used to identify “a device used in the performance of the service,” not to identify the source of the service. The term did not function as a service mark in *Global*. Registration was refused. Analogously, Pricewatch’s “Buy Online” link identifies a process used in the 30 performance of Pricewatch’s purchasing service. The “Buy Online” link is not a “mark”. The “Buy Online” link merely consists of “informational words” identifying a functionality or process that Pricewatch offers. The informational matter, “Buy Online,” and the functionality of the link, identify a process used by Pricewatch to facilitate purchasing. Pricewatch cannot stop others from using a “Buy Online” link.

35 Importantly also, the Prior Decision finds that the “Buy Online link” identifies “whether the participating advertiser/website is participating in the Pricewatch, and thus, [whether] the user is able to buy the item online from the participant/website.” It is not found that the “Buy Online” link identifies Pricewatch as a “lower level directory,” participating in a unique Internet Directory System, as required by claims 1, 4, 5, 22, 24 and 25.

5 The “mark” Limitation I, as clarified as to what it is “to be, to represent and to mean,” is not disclosed, taught or suggested by the “Buy Online” link of Pricewatch. The Examiner errs by identifying the “service mark limitation,” as now claimed, with “page 3” of Pricewatch.

When the Examiner further elaborates (pages 15-16 of Action made Final) that the “Buy Online” link is a “common mark” which indicates “a particular service offered,” that is consistent with Applicant’s point. See above discussions. A “Buy Online” link, like a “Buy now” link, or an “Add to Shopping Cart” link, are merely common informational terms associated with a device to facilitate performing a process (purchasing.) See *In re Global*, above. They do not function as a “service mark.” Their display does not indicate “a lower level directory” participating in a unique source of an “Internet Directory System.”

**Conclusion Re “Lower-Level Directories Displaying Common Licensed Service Mark” Limitation**

15 Hundreds of lower-level directories displaying a “common licensed service mark” identifies the lower level directories as participating in a unique Internet Directory System. “Buy-Online” link does not so function as such a “service mark,” relating lower level directories to a unique upper level directory System. It comprises informational words associated with a functional process, and is open to anyone to use.

20 Applicant identified a problem of the prior art, the inability to readily identify lower-level directories participating in a uniform Internet Directory System. Applicant teaches that displaying a common licensed service mark by organized participating lower-level directories is a step to solve the above problem. The common licensed service mark further enables lower-level directories to share in enhanced synergistic goodwill, inherent in the nature of service marks, thereby increasing the traffic of the System, increasing website visibility and increasing revenue.

**Claims 2 and 24**

In regard to claims 2 and 24, applicant further submits that the “Buy Online link” is not a common URL portion.

**Claims 4 and 25**

30 In regard to claims 4 and 25, applicant further submits that the “Buy Online link” is not a TLD.

**Limitation II: “Hundreds” (or “Thousands”) of Lower-Level Directories Organized Into the System**

Applicant respectfully traverses the statement, page 4 of the Action made Final:

35 It would have been obvious to one having ordinary skill in the art at the time of the invention was made to expand the plurality shown in Yahoo to include hundreds or thousands, since it has been held that the mere duplication of the essential working parts of a device involves only routine skill in the art (*St. Regis Paper Co. v. Bemis Co.*, 193 USPQ 8)).

40 The difference between the existence of a plurality (twelve disclosed by Yahoo) and of hundreds (or thousands), in the instant context, is hugely significant. The difference, structurally, affects the “comprehensiveness” of the directory, taught to be an important feature of the System and a problem to be solved. Comprehensiveness of the System affects the value of the system to the user, the value of the

5 goodwill, and the value of the common licensed service mark. Synergistically, comprehensiveness increases traffic and revenue and fosters further comprehensiveness. Yahoo makes no claim to be a comprehensive upper level directory. Pricewatch is a directory of content-providing websites, not of lower level directories. The comprehensiveness of the upper-level directory affects the level of traffic for the lower-level directories, the degree of profitability of the lower-level directories, which in turn affects the amount that the lower-level directories can afford to remit to the upper-level directory. The level of comprehensiveness of the upper-level directory affects ultimate website visibility and the profitability and stable income of the lower-level directories. See Spec. discussion above.

10 Expanding “the twelve” shown in Yahoo to include “hundreds or thousands,” would require a developed financial incentive plan and involve more than “routine skill in the art.” Expanding twelve to hundreds or thousands requires study of adequate incentives. The Examiner does not evidence the existence of such studies. Applicant supplied such in the specification.

15 The specification specifically teaches that incentivizing hundreds of lower-level directories to come into being requires study and structure. See specification paragraph [0023, 0028-0043]. The means for incentivizing, the structure and set of relationships, is part of the teaching and disclosure of the invention. There is no evidence that providing an incentivization to create hundreds or thousands of independent for-profit lower-level directories is taught or suggested by the prior art or is within the routine skill of one in the art.

20 The Examiner’s reference Lee supports Applicant on this point. Lee teaches the necessity to study each domain of e-commerce in order to determine proper design features, (see Lee pages 128-129) and warns that knowing “what to duplicate” and what not to duplicate in regard to an e-commerce “domain” is not within the “routine skill of one in the art.” Lee warns that proper design features for one domain may not carry over to another domain of e-commerce. See Lee page 128 lines 1-9 and line 27 to page 129 line 4. Study is required for each domain. Applicant has studied the directory domain.

25 The “duplication of parts” in the instant case requires the duplication of hundreds of lower-level directories who will accept the imposition of a common business model, including standards of operation for uniform organization, comprehensiveness and up-to-dateness. Yahoo’s mere twelve lower level directories do not have that claimed structure.

30 To recap, claim 1 and claim 22 as amended recite “hundreds” of lower level directories. Claims 29 and 41 recite thousands of lower level directories. Pages 1 and 2 of Yahoo, identify “twelve” lower level directories. It is not known whether they are independently owned or whether they are for-profit. The Examiner does not ever allege that the twelve lower level directories are organized by lower level categories and subcategories. The Examiner asserts, nonetheless, that it would have been obvious to expand the “twelve” lower level directories (of unknown structure) to hundreds or thousands of lower level directories with the claimed uniformity structure. The only basis offered for the assertion is that it

5 has been held that the mere duplication of the essential working parts of the device involves only routine skill of the art citing St. Regis Paper Co. v. Bemis Co., 193 USPQ 8.

The Examiner's assertion fails on its merits. Applicant also submits that the Examiner errs in relying St. Regis Paper. St. Regis Paper has been distinguished on this point six times by the Board of Patent Appeals and Interferences. See: St. Regis Paper Co. v. Bemis Co., inc., 549 F.2d 833, 193 U.S.P.Q. 8 (7<sup>th</sup> Cir. (Ill.), Feb 03, 1977) (NO. 76-1044)

#### History

#### Negative Citing References (U.S.A.)

##### *Distinguished by*

1. EX PARTE RODNEY A. MATTISON, 1995 WL 1696767 (Bd. Pat. App. & Interf. 1995) NO. APPEAL 95-2218, APPLICATION 071902) \*\* HN: 3 (F.2d)

2. EX PARTE YUTAKA URINO AND TOMOKI SAITO, 1996 WL 1748823 (Bd.Pat.App. & Interf. 1996) (NO. APPEAL 96-0346)\*\*\*

3. EX PARTE EDWARD H. NORTRUP, 1996 WL 1749314 (Bd.Pat.App. & Interf. 1996) (NO. APPEAL 96-3038)\*\*

4. EX PARTE MARK J. LOBODA, AND KEITH W. MICHAEL, 1997 WL 1884220 (Bd.Pat.App.&Interf. 1997) (NO. APPEAL 97-4091) \*\*

5. Ex Pate Mark J. Loboda, and Keith W. Michael, 1998, WL 35295210 (Bd.Pat.App.&Interf. Jan 20, 1998) (NO. APL 97-4091, APP 08/382,701)\*\*

6. EX PARTE BORIS E. MAKUTONIN, FRANK G. OLIVERIO AND MATTHEW J. ZDINAK, 2003 WL 23014547 (Bd.Pat.App. & Interf. Jan 21, 2003) (NO. APL 2002-1058, APP 09/228,856)\*\*

*In Ex Parte Boris E. Makutonin, Frank G. Oliverio and Matthew J. Zdinak*, The Board of Patent Appeals and Interferences stated:

As conceded by the examiner (see pages 3 through 5 in the answer), Scarpa fails to respond to the limitations in independent claim 1...Notwithstanding these deficiencies, the examiner, citing St. Regis Paper Co. v. Bemis Co. Inc. 549 F.2d 833, 193 USPQ 8 (7<sup>th</sup> Cir. 1977) and In re Japikse 181 F.2d 1019, 86 USPQ 70 (CCPA 1950) for the proposition that the mere duplication and rearrangement of the working parts of a device involve only routine skill in the art, concludes that it would have been obvious at the time the invention was made to a person having ordinary skill in the art to "include" a duplication of [Scarpa's] ...

Rejections based on 35 U.S.C. §103(a) must rest on a factual basis. In re Warner, 379 F.2d 1011, 1017, 154 USPQ 173, 177-78 (CCPA 1967). In making such a rejection, the Examiner has the initial duty of supplying the requisite factual basis and may not, because of doubts that the invention is patentable, resort to speculation, unfounded assumptions or hindsight reconstruction to supply deficiencies in the factual basis. *Id.*

5 In the present case, the examiner fails to advance any  
factual basis to supply the admitted deficiencies of Scarpa vis-à-  
vis the subject matter recited in independent claims 1, 16, 24, and  
36. **Instead, the examiner attempts to bridge Scarpa's**  
10 **evidentiary gaps by resort to so-called mechanical or per se**  
**rules of obviousness allegedly established by the St. Regis and**  
**Japikse cases. Such rules do not exist, however, and the**  
**reliance thereon by the examiner to establish obviousness**  
**under §103(a) is improper. See In re Ochiai, 71 F.3d 1565,**  
15 **1570, 37 USPQ2d, 1127, 1132 (Fed. Cir. 1995); In re Wright,**  
**343 F. 2d 761, 769-70 145 USPQ 182, 190 (CCPA 1965).**

The Board did not sustain the §103 rejection. As in ex parte Boris Makutonin, so here, the Examiner fails to advance a factual basis to supply the admitted deficiencies of Yahoo.

20 The above comments in regard to Limitation II apply to claims 1 and 22 in regard to “hundreds”  
and even more so to claims 29 and 41 in regard to “thousands”. Applicant submits that claims 1 and 22  
are allowable in regard to the “hundreds” limitation and that claims 37 and 41 are additionally allowable  
in regard to the “thousands” limitation. A prima facie case has not been made that it would have been  
obvious to expand the “twelve” in Yahoo to reach hundreds, or thousands, with non-Yahoo structure.

**Limitation III – Content of the Business Model**

25 The content of the instant business model has been amended in independent claims 1 and 22 to  
include uniform organization as well as uniform comprehensiveness and uniform up-to-dateness.

The Examiner admits in the Action made Final that “neither Pricewatch nor Yahoo [teach] of  
‘uniform organization, comprehensiveness of reference and up-to-dateness.’” The Examiner cites Lee for  
teaching comprehensiveness and up-to-dateness. The Examiner cites no reference for teaching uniform  
30 organization.

First, for citing no reference for teaching uniform organization, all claims are allowable without  
more.

Secondly, Lee discloses that his teachings are inapplicable to internet directory systems. Lee  
teaches against proposing design goals for any particular type of e-commerce without study of that  
35 particular domain of e-commerce. Lee does not study internet directory systems. Lee proposes design  
goals for “stock trading websites,” based on his studies. Specifically Lee teaches that knowledge of  
proper design goals for any e-commerce website is not inherently within the knowledge of a person of  
ordinary skill in the art but must be developed with study of the instant e-commerce domain. See Lee  
pages 128-129. Lee teaches against proposing design goals without study of the particular type of e-  
40 commerce involved, of the particular “domain” of e-commerce. Lee teaches against transferring design  
goals developed for one type or domain of e-commerce to another type or domain of e-commerce. See  
Lee pages 128-129. So Lee teaches that his design goals have no obvious application to internet directory  
systems.

5 Lower-level directories are not in the same domain as Lee's "stock trading websites;" one third of Lee's six design factors, e.g. "order taking" and "security", are obviously non-applicable to the domain of "lower-level directories." Key characteristics of the domain of stock trading websites are that they provide a marketplace for selling, and for selling a sophisticated, federally regulated product, to sophisticated users. The stock trading sites attract a limited, repeat, sophisticated clientele and make a profit off of a decision to buy or sell product. Security issues and the responsibility of the provider are key factors. In the domain of lower-level directories, by contrast, lower-level directories offer a locating and referral service. They make a profit off of a high traffic from a wide variety of generally unsophisticated users. The service itself is free. The profit comes from advertisers and services offered to referees. There is no significant security or responsibility issue. The "domains" of lower-level directories and stock trading sites, thus, are quite disparate. Knowledge of the proper design goals for lower-level directories would have to be independently developed with study of the lower-level directory domain. Applicant has demonstrated such study. Design goals for "stock trading websites" do not transfer, as a matter of course.

20 Note, Lee teaches no enablement for his "design goals." Lee teaches no structure or relationships to achieve his design goals. Lee teaches no interrelationship of entities, no imposed business model and common service mark, no resulting financial incentives at upper and lower-levels, no synergistically enhanced goodwill, traffic and visibility. Lee does not teach uniform comprehensiveness of reference or uniform organization. "In depth analysis" is not the same as "comprehensiveness of reference." "Comprehensiveness of reference refers to "breadth" as opposed to "depth."

25 In summary, Lee proposes design goals for "stock trading sites" and teaches that these goals are per se not applicable to the domain of lower-level directories. Lee does not offer proposed structure or relationships for achieving his goals. Lee does not teach the imposition of a business model on the stock trading sites, or any means of enablement that would work for its intended purpose of bringing a viable system into existence.

30 Limitation III is not taught or suggested by the references. Applicant submits that claims 1 and 22 and all that depend thereon, e.g. all claims, are allowable without more based on Limitation III.

#### **Select Dependant Claims – Further Examiner Errors**

##### **Claims 3 and 5**

35 Dependant claims 3 and 5 relate to further standards of operation in the business model imposed on the lower-level directories. Dependant claim 3 relates to professional management and dependant claim 5 relates to no charge to the user. Neither Pricewatch nor Yahoo are shown to impose such standards of professional management and no charge to the user in a business model imposed on their referees. Lee does not correct the deficiency. (In reference Lee, no charge to a user appears nonapplicable as a design goal for stock trading websites. Stock trading websites traditionally do not charge users for perusing a site, but charge users for purchasing the product.) Professional management

40

5 might be an inherent design goal for stock trading websites. However, applicant's discussion of the prior art shows that professional management is not a high design goal for lower-level directories. Further, lower-level directories are not analogous to stock trading websites in the field of ecommerce, as discussed above. They occupy distinct domains.

**Claims 15, 19 and 43**

10 Dependant claims 15, 19 and 43 relate to the System. Dependant claim 15 recites the upper-level directory contracting with a significant number of lower-level directories to secure a comprehensive listing with respect to at least one upper-level category. Dependant claim 15 is significant in that the comprehensiveness in the referencing can be decisive in attracting the high level of traffic that makes the instant internet directory system work for its intended purpose. Claim 19 recites that the lower-level  
15 directories comprehensively reference the websites without charge. Such can be an important feature of a successful internet directory system in order to attract the high level of traffic necessary for the system to generate profit for lower-level directories as well as an upper-level directory provider. Dependant claim 43 recites a contractual relationship between the directory provider and the lower-level directories as well as the lower-level directories remitting value to the upper-level directory. Neither Yahoo nor Pricewatch  
20 teach or suggest any such comprehensiveness of lower-level directories, as comprehensively referencing websites without charge by lower-level directories or a contractual relationship between the upper-level directory and the independent lower-level directory that it references.

For the above reasons dependent claims 3, 5, 15, 19 and 43 are independently allowable. The Examiner's comments to the contrary are not apposite. Common sense informs an ordinary skilled artisan  
25 that there is no comparison between, or relationship between, a lower level directory imposing a business model on its websites and an upper level directory imposing a business model on a lower level directory. One does not implicate the other. The nature of the relationship between the parties is not the same. Websites may not have any "relationship" with a lower level directory. A lower level directory that is a member of a System, however, definitely has a relationship with an upper level directory, or the System.

30 In regard to claim 5, there is no evidence to indicate that Pricewatch has accepted a business model imposed upon itself from "outside," which requires it to provide a comprehensive listing of viable websites relating to its categories, for no charge.

In regard to claim 15, Yahoo discloses the opposite of claim 15. Yahoo is evidence that there is no System that includes contracting by Yahoo or the like with a plurality of lower level directories to  
35 secure comprehensive listing of lower level directories with respect to at least one upper level category. Yahoo's listing of twelve lower level directories is anything but comprehensive.

In regard to claim 19 Pricewatch does not disclose that it provides a comprehensive reference to websites, much less without charge to the websites.

40 In regard to claim 43, Pricewatch is a lower-level directory. There is no evidence that Pricewatch remits value to any upper-level directory provider or System.

5 Motivation to Combine

Applicant submits that adequate motivation to make applicant's selected combination of features has not been provided. There is no motive for Yahoo to insist upon hundreds and thousands of lower level directories to exist, or for Pricewatch to accept a business model imposed upon it from any upper level directory. Yahoo and Pricewatch are eminently successful. There is no motivation for either to accept those changes.

This is not a case where there is a finite number of identified, predictable solutions to Applicant's problem. In the Background of the Invention section of the specification, Applicant identifies five generic classes of solutions to the problem of providing an adequate Internet Directory System. The first is the search engine, discussed in paragraphs 3 and 12, together with its well known drawbacks. Any number of solutions to provide an adequate internet directory system could evolve using the search engine approach, through addressing its inadequacies.

The next three solutions can be generically identified as category directory solutions. Yahoo, as cited by the Examiner, is one instance of this type of solution. The Open Directory Project with its volunteer editors, discussed in paragraphs 5 and 13, is an important subspecies in the category of directory systems. Any number of solutions could be proposed to overcome the current deficiencies of the Open Directory Project. A third internet directory system solution of the prior art, the Electronic Yellow Pages solution, is identified in paragraphs 6, 7 and 14 of the specification. Any number of solutions could be proposed to overcome the deficiencies of the Electronic Yellow Pages.

Lastly, independent directory websites, such as Pricewatch, which offer independent lower level directories, offer a fifth form of solution to the internet directory system. These random independent directory websites are discussed in paragraphs 8, 9 and 15 of the specification. Any number of solutions to the internet directory system problem could arise through addressing the deficiencies of the random independent directory websites.

Applicant's solution shares some aspects of the above, but contains significant structural differences, and is distinct. Applicant's system demands comprehensiveness and recites the structure of hundreds, and preferably thousands, of lower level directories. Applicant recites that the lower level directories accept the imposition of a business model, supplying standards of operation. Applicant insists upon a system-wide identifying mark.

Applicant's system contains significant structural differences from the prior art in a context in which significantly more than a few finite number of identifiable, predictable solutions exist. Solutions to the problem of a lack of a satisfactory internet directory system could be pursued under various species found in several genre of solution paths.

Conclusion

Applicant submits that the Examiner's obviousness rejection of claims fails for the reasons stated above. The Examiner has not identified every element of the independent claims, nor certain dependent



5 claims, in the references. The Examiner has not adequately demonstrated a motive for selectively combining elements to reach applicant's invention.

In light of the amended clarified claims and above remarks, applicant submits that key elements in the claims have not been located in the references and that motivation to combine elements to reach applicant's system and method has not been supplied, other than by hindsight. The motivation and vision  
10 has not been shown to lie within common knowledge.

Respectfully Submitted,

15

1/14/10  
Date



Sue Z. Shaper  
Attorney/Agent for Applicant(s)  
Reg. No. 31663

20

Sue Z. Shaper  
1800 West Loop South, Suite 1450  
Houston, Texas 77027  
Tel. 713 550 5710

25

**(viii) Claims Appendix**

What is claimed is:

- 10           1. An improved Internet Directory System, comprising:  
               at least one upper-level Directory Provider (DP), providing an upper-level directory of lower-  
               level directories, the upper-level directory organized by at least upper-level fields and/or super-categories  
               and categories (together, upper-level categories) and referencing hundreds of independently owned (from  
               each other and from the Directory Provider) for-profit lower-level directories Category Directory  
 15       Websites (CDWs) related to the upper-level categories, the CDWs organized by lower-level categories  
               and subcategories;  
               the hundreds of CDWs each providing a lower level directory comprehensively  
               referencing viable websites (WSs) relating to a category;  
               the CDWs being identified as participating in the System by the display by each CDW  
 20       of a common licensed service mark, or a common URL portion functioning as a service mark, the  
               common service mark being displayed by the hundreds of CDWs to indicate participation in a unique  
               source of an internet directory system; and  
               a business model imposed on the CDWs by the DP or System, including standards of  
               operation of uniform organization, comprehensiveness of reference and up-to-dateness with respect to the  
 25       provision of lower level directories.
2. The System of claim 1 wherein the CDWs are identified as participating in the System by  
               display of a common URL portion.
3. The System of claim 1 wherein the business model includes a standard of operation providing  
               professional management.
- 30           4. The System of claim 2 wherein the URL portion includes a TLD.
5. The System of claim 1 wherein the business model includes a standard of operation providing  
               a comprehensive listing of viable websites (WSs) related to the category for no charge.
6. The System of claim 1 wherein the business model includes a standard of operation, imposed  
               on at least a subset of CDWs, providing a CDW offering web sites at least one of an option to move to a  
 35       secure site to negotiate a purchase and an organization of pertinent comparative data on a subject within  
               the category.
7. The System of claim 1 wherein the business model includes charging at least some WSs for  
               enhanced reference.
8. The System of claim 1 wherein the business model includes at least some WSs being charged  
 40       for at least one service offered by a CDW.

9. The System of claim 1 wherein the business model includes a participating CDW providing advertising space on its site.

10. The System of claim 1 wherein the business model includes a CDW promoting, by advertising, at least one of its referenced websites.

5 11. The System of claim 1 wherein the business model includes at least one advertising/promotion firm that provides advertising/promotion for a category and/or a CDW site substantially in return for advertising space on a CDW site.

12. The System of claim 1 wherein the business model includes offering web page enhancement services at a volume discount.

10 13. The System of claim 1 wherein the business model includes substantially funding operation of a CDW by payments from WSs.

14. The System of claim 1 wherein the business model includes selection of categories by CDWs large enough to support a Category Directory Website and small enough to be managed according to the business plan.

15 15. The System of claim 1 wherein the System includes contracting by at least one DP with a plurality of CDWs to secure a comprehensive listing of CDWs with respect to at least one upper level category.

16. The System of claim 2 wherein the URL portion consists essentially of a TLD.

20 17. The System of claim 16 wherein the URL portion comprises a TLD unique to CDWs in the system.

18. The System of claim 1 wherein the business model includes at least website enhancement technology cost effectively offered to appropriate referenced WSs.

19. The System of claim 15 wherein the CDWs provide a comprehensive reference to WSs without charge to the WSs.

25 20. The System of claim 1 wherein the Directory Provider comprises an ISP or Search Engine.

21. The System of claim 1 wherein 1) the category and 2) at least one field and/or super-category are both more than simply an indicator of city, state, region or nation.

22. A method for participating in an Internet Directory System, comprising:

30 organizing an independent for-profit directory website to comprehensively reference viable websites (WSs) within a category, providing thereby a lower-level directory;

participating in an Internet Directory System by said directory website by contracting to be referenced as one of hundreds of participating Category Directory Websites (CDWs) in at least one independent upper-level Directory Provider's (DP) upper-level directory of lower-level directories, the upper-level directories organized according to at least upper-level fields and/or super-categories and categories (together, upper-level categories,) the upper-level directory referencing the CDWs;

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licensing and displaying a URL portion or a mark as a service mark by the directory website, the mark functioning as a service mark common to the hundreds of participating CDWs, identifying said directory website as a participating Category Directory Website in a unique source of an internet directory system; and

5           abiding by a System or DP imposed business model imposed on said Category Directory Websites, including operational standards of uniform organization, comprehensiveness of referencing and up-to-dateness with respect to the provision of the lower level directory.

23. The method of claim 22 wherein the upper level directory references consist essentially of CDWs.

10          24. The method of claim 22 wherein the displaying includes displaying a URL portion.

25. The method of claim 24 wherein the URL portion comprises a TLD unique to CDWs in the system.

26. The method of claim 22 wherein the business model includes offering at least website enhancement technology cost effectively to appropriate referenced WSs.

15          27. The method of claim 22 wherein a standard of operation includes professional management.

28. The method of claim 22 wherein a standard of operation includes providing a comprehensive reference to viable websites without charge.

29. The method of claim 22 wherein the hundreds include thousands.

20          30. The method of claim 22 wherein the business model includes providing advertising space on a CDW site.

31. The method of claim 22 wherein the business model includes promoting at least one WS by advertising.

32. The method of claim 22 wherein the Directory Provider includes an ISP and/or a Search Engine.

25          33. The method of claim 22 wherein the business model includes providing advertising promotion for a CDW site in return for receiving advertising space on a CDW site.

34. The method of claim 22 wherein the business model includes, for at least a subset of CDWs, offering web sites at least one of an option to move to a secure site to negotiate a purchase and an organization of pertinent comparative data on a subject within the category.

30          35. The method of claim 22 wherein the business model includes charging at least some websites for at least one service such that a profit is made.

36. The method of claim 22 wherein (1) the category and (2) at least one field and/or super-category are both more than simply indicators of city, state, region or nation.

35          37. The system of claim 1 wherein the business model includes minimal standards for websites to be included in a directory, for updating website references including adding new websites and for

deleting no longer viable websites and standards for certain quality of presentation for participating websites.

38. The system of claim 1 wherein the business model includes the CDW being substantially funded through an offer of enhanced listings and value added services, including website enhancement technology where appropriate, to websites, such services tailored to a category and specifically designed to attract and retain viewers.

39. The method of claim 22 that includes the upper level fields and/or super-categories and categories being organized to contain CDWs which pay the DP to be listed in one or more fields, the fee based on a number of web pages hosted or linked to the CDW.

40. The method of claim 22 that includes the CDWs contracting with an advertising/promotion firm for design, marketing and/or promotional services to be provided at no cost to the CDW while the advertising/promotional firm sells advertising spots on the CDW and collects the revenue generated.

41. The system of claim 1 wherein the hundreds includes thousands.

42. The method of claim 22 that includes the CDWs providing lists of business and/or web pages within their category and organizing those lists into sub-categories.

43. The method of claim 22 that includes the directory website remitting value to a DP or system.

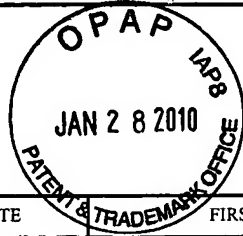
## **(ix) Evidence Appendix**

**(x) Related Proceedings Appendix**

**Decision of December 10, 2008.**



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Susan Q. Sanders

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22929 7590 12/11/2008  
SHAPER ILER LLP  
1800 WEST LOOP SOUTH  
SUITE 1450  
HOUSTON, TX 77027

EXAMINER

MORRISON, JAY A

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.





UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* SUSAN Q. SANDERS and GLEN N. SANDERS JR.

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Appeal 2008-1004  
Application 10/776,069  
Technology Center 2100

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Decided: December 10, 2008

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*Before* LANCE LEONARD BARRY, JOSEPH L. DIXON, and  
THU A. DANG, *Administrative Patent Judges*.

DANG, *Administrative Patent Judge*.

DECISION ON APPEAL

I. STATEMENT OF CASE

Appellants appeal under 35 U.S.C. § 134(a) from a final rejection of claims 1-42. We have jurisdiction under 35 U.S.C. § 6(b).

### A. INVENTION

According to Appellants, the invention relates to an Internet Directory System that increases website visibility, creates profitable Internet related businesses and generates a stable revenue stream for website directories and Internet Service Providers, or the like (Spec. 1, ll. 10-16).

### B. ILLUSTRATIVE CLAIM

Claim 1 is exemplary and is reproduced below:

1. An improved Internet Directory System, comprising:

at least one upper-level Directory Provider (DP), providing a directory of at least upper-level fields and/or super-categories and categories, and referencing a plurality of independently owned (from each other and from the Directory Provider) for-profit Category Directory Websites (CDWs);

the plurality of CDWs each providing at least a lower level directory referencing websites (WSs) relating to a category;

the CDWs being identified as Category Directory Websites participating in the System by at least a mark or a URL portion; and

a business model imposed on at least the CDWs.

### C. REJECTIONS

The prior art relied upon by the Examiner in rejecting the claims on appeal is:

Morimoto

US 2002/0013774 A1

Jan. 31, 2002

Google (www.google.com, webpages from 2/22/2002).

Appeal 2008-1004  
Application 10/776,069

eBay (www.ebay.com, webpages from 11/15/2002).

Yahoo (www.yahoo.com, webpages from 12/09/2002).

Pricewatch (www.pricewatch.com, webpages from 1/28/2003).

Claims 21 and 36 stand rejected under 35 U.S.C. § 112, first and second paragraphs;

Claims 16 and 17 stand rejected under 35 U.S.C. § 112, second paragraph;

Claims 18, 26, and 38 stand rejected under 35 U.S.C. § 112, second paragraph;

Claims 1-11, 13-37, 39, 41, and 42 stand rejected under 35 U.S.C. § 103(a) over the teachings of Pricewatch and Yahoo;

Claim 12 stands rejected under 35 U.S.C. § 103(a) over the teachings of Pricewatch, Yahoo, and Morimoto;

Claim 38 stands rejected under 35 U.S.C. § 103(a) over the teachings of Pricewatch, Yahoo, and eBay; and

Claim 40 stands rejected under 35 U.S.C. § 103(a) over the teachings of Pricewatch, Yahoo, and Google.

We AFFIRM.

## II. ISSUES

The issues are whether Appellants have shown that the Examiner erred in concluding that

A. Claims 21 and 36 are unpatentable under 35 U.S.C. § 112, first and second paragraphs, and in particular, whether the phrase “more than simply geographic” complies with the written description requirement and sufficiently defines the invention being claimed.

B. Claims 16 and 17 are unpatentable under 35 U.S.C. § 112, second paragraph, and in particular, whether the acronym “TLD” has a sufficient antecedent basis.

C. Claims 18, 26, and 28 are unpatentable under 35 U.S.C. § 112, second paragraph, and in particular, whether the phrase “cutting-edge technology” complies with the definiteness requirement.

D. Claims 1-42 are unpatentable under 35 U.S.C. § 103(a) over the teachings of Pricewatch and Yahoo, and in particular, whether 1) all elements of the claimed invention are disclosed or suggested by the applied references; and 2) whether one of ordinary skill in the art would have found it obvious to combine the applied references.

## III. FINDINGS OF FACT

The following Findings of Fact (FF) are shown by a preponderance of the evidence.

*Appellants' Invention*

1. Appellants disclose a Directory Website 14 which registers with a Domain Registration Site 11, wherein a licensing and usage fee is paid to get a special TLD (the 3 letter extension after the dot) designating the site as a Directory Website (p. 12, ll. 21-23).

*Pricewatch*

2. Pricewatch discloses an internet directory of "New Computer Components" (p. 1).
3. For each item (New Computer Component) in the internet directory, there is a lower level directory of "Systems - Windows Links" (p. 2, bottom).
4. For each item in the lower level directory (Computer Systems – Windows Complete Athlon XP 2200 CD COA), there are "Buy Online" URLs provided to participate in the Pricewatch purchase (p. 3).
5. To participate in Pricewatch (Advertiser Application), Advertisers must meet requirements imposed, including having "established website with prices posted" (p. 5, bottom).

*Yahoo*

6. Yahoo discloses a Commercial Directory of directories arranged by "Most Popular" as well as "Alphabetical," including "Business.com," "BPubs.com," and the like (p. 1-2).

#### IV. PRINCIPLES OF LAW

"The specification shall contain a written description of the invention... in such full, clear, concise, and exact terms as to enable any person skill in the art to which it pertains, or with which it is most nearly connected, to make and use the same" 35 U.S.C. § 112, first paragraph.

"The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention" 35 U.S.C. § 112, second paragraph.

"Our analysis begins with construing the claim limitations at issue." *Ex Parte Filatov*, No. 2006-1160, 2007 WL 1317144, at \*2 (BPAI 2007). "[T]he PTO gives claims their 'broadest reasonable interpretation.'" *In re Bigio*, 381 F.3d 1320, 1324 (Fed. Cir. 2004) (quoting *In re Hyatt*, 211 F.3d 1367, 1372 (Fed. Cir. 2000)). "Moreover, limitations are not to be read into the claims from the specification." *In re Van Geuns*, 988 F.2d 1181, 1184 (Fed. Cir. 1993) (citing *In re Zletz*, 893 F.2d 319, 321 (Fed. Cir. 1989)).

"[T]he words of a claim 'are generally given their ordinary and customary meaning.'" *Phillips v. AWH Corp.*, 415 F.3d 1303, 1312 (Fed. Cir. 2005) (en banc) (internal citations omitted). "[T]he ordinary and customary meaning of a claim term is the meaning that the term would have to a person of ordinary skill in the art in question at the time of the invention, *i.e.*, as of the effective filing date of the patent application." *Phillips v. AWH Corp.*, 415 F.3d at 1313 (Fed. Cir. 2005) (*en banc*).

One cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. *In re Merck & Co., Inc.*, 800 F.2d 1091, 1097 (Fed. Cir. 1986).

Section 103 forbids issuance of a patent when “the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.”

*KSR Int'l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1734 (2007).

The Supreme Court reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” *Id.* The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.* at 1740.

“Under the correct analysis, any need or problem known in the field and addressed by the patent can provide a reason for combining the elements in the manner claimed.” *Id.* at 1742. The Court noted that “[c]ommon sense teaches . . . that familiar items may have obvious uses beyond their primary purposes, and in many cases a person of ordinary skill will be able to fit the teachings of multiple patents together like pieces of a puzzle.” *KSR*, 127 S. Ct. at 1742. “A person of ordinary skill is also a person of ordinary creativity, not an automaton.” *Id.*

## V. ANALYSIS

### *Rejection under U.S.C. § 112*

*The phrase “more than simply geographic” does not comply with the written description requirement:*

The Examiner finds that “more than simply geographic” is not sufficiently described in the Specification and does not sufficiently define what is being claimed (Ans. 4). Appellants contend that “[m]ore than simply geographic” distinguishes the invention from the Yellow Pages example of the prior art as discussed in the Background section of the application” since “Yellow Pages are organized geographically” (Reply Br. 2). The issue we address on appeal is whether the phrase “more than simply geographic” complies with the written description requirement and sufficiently define the invention being claimed.

We begin our analysis by giving “more than simply geographic” its ordinary meaning. We agree with the Appellants that a category that is more than simply geographic is thus distinguishable from a category that is geographic. Thus, we agree with the Appellants that this term sufficiently defines the invention that is claimed.

However, we agree with the Examiner that the Specification does not contain a written description of “more than simply geographic” in full, clear, concise, and exact terms, as required by 35 U.S.C. § 112, first paragraph. In fact, Appellants have not identified any instance of the use of the term “geographic” in the Specification.



Though Appellants contend that “[m]ore than simply geographic” distinguishes the invention from the Yellow Pages example of the prior art as discussed in the Background section of the application,” and that “Yellow Pages are organized geographically,” Appellants’ Background section does not clearly set forth such a distinction from the Yellow Pages. In fact, Appellants’ Background section does not even clearly set forth that the Yellow Pages are organized geographically. We, thus, agree with the Examiner and find that “more than simply geographic” does not comply with the written description requirement.

*The acronym “TLD” has sufficient antecedent basis:*

The Examiner finds that there is insufficient antecedent basis for the limitation “TLD” (Ans. 5). Appellants contend that “[t]he meaning of ‘TLD’ was pointed out, e.g. on page 12 line 22 of the specification” (Reply Br. 2). Therefore, the issue we address on appeal is whether the acronym “TLD” has a sufficient antecedent basis.

We begin our analysis by giving “TLD” its ordinary meaning. We agree with the Appellants that the ordinary meaning of “TLD” is “top level domain” (Reply Br. 2).

Appellants’ Specification defines a special TLD as the 3 letter extension after the dot for designating the site as a Directory (FF 1). We agree with the Appellants and find that “TLD” has sufficient antecedent basis in the Specification.

*The phrase “cutting-edge technology” does not comply with the definiteness requirement:*

The Examiner finds that the term “cutting edge technology” is a relative term which renders the claim indefinite (Ans. 5). Appellants argue that “‘Cutting-edge technology’ is a defined and well known phrase that would be used by and recognized by one of ordinary skill in the art” (Reply Br. 2). Therefore, the issue we address on appeal is whether the phrase “cutting-edge technology” complies with the definiteness requirement.

We begin our analysis by giving “cutting edge technology” its ordinary meaning. We agree with the Appellants that a category that “cutting-edge technology” is a well-known phrase used and recognized by one of ordinary skill in the art. Thus, we give the term “cutting edge technology” its ordinary meaning of “technology of the greatest advancement or importance.”

However, we agree with the Examiner that such term “cutting-edge” with a meaning of “greatest advancement or importance” is a relative term that renders the claim indefinite. That is, such relative term is indefinite in that it is subject to change, because a particular cutting-edge technology at the time of the invention may be replaced by another technology at a future time as cutting-edge. Thus, “cutting-edge” does not distinctly set forth the subject matter which the applicant regards as his invention, as required by 35 U.S.C. § 112, second paragraph. Thus, we agree with the Examiner and

find that “cutting-edge technology” does not comply with the definiteness requirement.

*Rejection under U.S.C. § 103(a)*

*Each of every element of the claims is found in the prior art teachings:*

Appellants do not provide separate arguments with respect to the rejection of claims 1-11, 13-37, 39, 41, and 42. Therefore, we select independent claim 1 as being representative of the cited claims. 37 C.F.R. § 41.37(c)(1)(vii).

Appellants contend that the “PriceWatch does not adequately or clearly point out where, specifically, the Examiner identifies a ‘category directory website’ in PriceWatch,” (App. Br. 5) and thus does not disclose “at least one upper-level Directory Provider (DP), providing a directory of at least upper-level fields and/or super-categories and categories, and referencing a plurality of independently owned (from each other and from the Directory Provider) for-profit Category Directory Websites (CDWs)” (App. Br. 6). However, the Examiner finds that Yahoo discloses such limitation (Ans. 7). Therefore, the issue we address on appeal is whether the combined teaching of Pricewatch and Yahoo discloses “at least one upper-level Directory Provider (DP), providing a directory of at least upper-level fields and/or super-categories and categories, and referencing a plurality of independently owned (from each other and from the Directory Provider) for-profit Category Directory Websites (CDWs)” (claim 1).

We generally agree with the Examiner's finding that the combined teaching of Pricewatch and Yahoo discloses and/or suggests the claimed elements on appeal beginning at page 6 of the Answer, and the Examiner's corresponding responsive arguments beginning at page 18 of the Answer.

Pricewatch discloses an internet directory, wherein, for each field or category in the internet directory, there is a lower level directory (FF 2-3). Yahoo discloses a Commercial Directory of internet directories (FF 6). We find the internet directory of Pricewatch to be a directory of fields and categories, which references a plurality of for-profit websites. Further, we find the Commercial Directory of Yahoo to be an upper-level directory which references a plurality of websites each providing at least a lower level directory referencing websites. We thus agree with the Examiner that the combined teaching of Pricewatch and Yahoo would disclose or at the least suggest "at least one upper-level Directory Provider (DP), providing a directory of at least upper-level fields and/or super-categories and categories, and referencing a plurality of independently owned (from each other and from the Directory Provider) for-profit Category Directory Websites (CDWs)" (Ans. 19).

Though Appellants appear to be arguing that Pricewatch alone fails to disclose the claim limitation, the Examiner has rejected the claims based on the combination of Pricewatch and Yahoo, and nonobviousness cannot be shown by attacking the references individually. We agree with the Examiner's finding that the combined teachings of Pricewatch and Yahoo

discloses “at least one upper-level Directory Provider (DP), providing a directory of at least upper-level fields and/or super-categories and categories, and referencing a plurality of independently owned (from each other and from the Directory Provider) for-profit Category Directory Websites (CDWs),” as recited in claim 1. An artisan will be able to fit the teachings of Pricewatch and Yahoo together like pieces of a puzzle because person of ordinary skill is also a person of ordinary creativity, not an automaton. *See KSR*, 127 S. Ct. at 1742.

Appellants also argue that the Examiner fails to find CDWs “[i]dentified as Participating in the System by at Least a Mark or a URL Portion” (App. Br. 6). However, the Examiner finds that Pricewatch “shows participation in the system is contained in every participating are in fact identified by the ‘Buy Online’ URL” (Ans. 20). Therefore, the issue we address on appeal is whether the Appellants have shown error in the Examiner’s finding that Pricewatch discloses “participating in the System by at least a mark or a URL portion” (claim 1).

Pricewatch discloses that, for each category in the lower level, there are “Buy Online” URLs provided to participate in the Pricewatch (FF 4). We agree with the Examiner’s finding that Pricewatch discloses or at the least suggests a mark or URL portion, as set forth beginning at page 6 of the Answer, and the Examiner’s corresponding arguments on 19 of the Answer.

Though Appellants contend that “no reasonable consumer would view a ‘Buy Online’ link as a mark, or a URL portion, which identifies an entity,

such as a Category Directory Website, as participating in an Improved Internet Directory System,” Appellants’ claims simply do not place any limitation on what the “mark” or “URL portion” is to be, to represent, or to mean, other than that Category Directory Websites are identified as participating in the System by the mark or URL portion. We find that the “Buy Online” link is a mark/URL portion that identifies whether the participating advertiser/website is participating in the Pricewatch, and thus, the user is able to buy the item online from the participant/website.

We thus agree with the Examiner’s finding that one of ordinary skill in the art would have understood the “Buy Online” link of Pricewatch in view of the teaching of Yahoo to be a mark or a URL portion which identifies CDW websites participating in the system.

Appellants further contend that the Examiner fails to find “a business model imposed on at least the CDWs” (App. Br. 6). However, the Examiner finds that “Pricewatch does in fact have a business model imposed on the participants” (Ans. 20), and further Yahoo “imposes the business model of a company on the CDWs in the Yahoo upper-level directory” (Ans. 20). Therefore, the specific issue is whether the Appellants have shown error in the Examiner’s finding that the combined teaching of Pricewatch and Yahoo discloses “a business model imposed on at least the CDWs” (claim 1).

Pricewatch discloses that, to participate in Pricewatch (Advertiser Application), Advertisers must meet requirements imposed, including having “established website with prices posted” (FF 5). We generally agree

with the Examiner's finding that such teaching of Pricewatch discloses or at the least suggests a business model imposed on the participants, as set forth beginning at page 6 of the Answer and the corresponding arguments on page 20 of the Answer. In particular, we find the requirements imposed on the participating website, such as the requirement of an established website with the prices posted, to be a business model imposed on the website.

We thus agree with the Examiner's finding that one of ordinary skill in the art would have understood the requirements for participation of Pricewatch in view of the teaching of Yahoo to be a business model imposed on the participating CDWs.

Accordingly, we conclude that Appellants have not shown that the Examiner erred in finding all elements of the claimed invention are disclosed or suggested by the combined teaching of Pricewatch and Yahoo.

*On of ordinary skill in the art would have found it obviousness to combine the prior art teachings:*

Appellants argue that "[t]he Examiner does not adequately demonstrate motive for combining any prior art to reach applicant's invention" (App. Br. 7). Therefore, the specific issue is whether the Appellants have shown error in the Examiner's findings about why one of ordinary skill in the art would have it obvious to combine the teachings of Pricewatch and Yahoo.

The Examiner's finding that it would have been obvious to combine Pricewatch and Yahoo beginning at page 7 of the Answer, and the

corresponding argument beginning at page 20 of the Answer, comply with the requirements of the above-noted case law. Pricewatch discloses an internet directory, wherein, for each field or category in the internet directory, there is a lower level directory (FF 2-3). Yahoo discloses a Commercial Directory of internet directories (FF 6). We thus agree with the Examiner's finding that one of ordinary skill in the art would have incorporated the internet directory of fields categories of Pricewatch to the directory of subdirectories of Yahoo, "to improve the invention by combining two well-known business concepts on two well-known internet sites into one" because it "gives the user the advantage of having more and better choices as a consumer" (Ans. 7).

Appellants have provided no evidence that incorporating the internet directory of fields/categories of Pricewatch to the directory of subdirectories of Yahoo was "uniquely challenging or difficult for one of ordinary skill in the art," *Leapfrog*, 485 F.3d 1157, 1162 (Fed. Cir. 2007) nor have Appellants presented evidence that this incorporation yielded more than expected results. Rather, we find that Appellants claimed invention is simply an arrangement of the known teaching of a directory of fields/categories, to the known teaching of a directory of subdirectories. "[W]hen a patent 'simply arranges old elements with each performing the same function it had been known to perform' and yields no more than one would expect from such an arrangement, the combination is obvious." *KSR*,



127 S. Ct. at 1740 (citing *Sakraida v. AG Pro, Inc.*, 425 U. S. 273, 282 (1976)).

Accordingly, we conclude that the Appellants have not shown that the Examiner erred in rejecting claim 1, and claims 2-11, 13-37, 39, 41, and 42 falling with claim 1, under 35 U.S.C. § 103(a).

Appellants do not provide separate arguments with respect to the rejection of dependent claims 12, 38, and 40, depending from independent claims 1 and 22, respectively. As discussed above, we find no deficiency regarding the combined teachings of Pricewatch and Yahoo in the rejection of claims 1 and 22. Thus, we conclude that the Appellants have not shown that the Examiner erred in rejecting claim 12 over Pricewatch, Yahoo, and Morimoto, in rejecting claim 38 over Pricewatch, Yahoo, and eBay, and in rejecting claim 40 over Pricewatch, Yahoo, and Google, under 35 U.S.C. § 103(a).

#### CONCLUSION OF LAW

(1) Appellants have shown that the Examiner erred in finding that claims 21 and 36 are unpatentable under 35 U.S.C. § 112, second paragraph, but have not shown that the Examiner erred in finding that claims 21 and 36 are unpatentable under 35 U.S.C. § 112, first paragraph.

(2) Appellants have shown that the Examiner erred in finding that claims 16 and 17 are unpatentable under 35 U.S.C. § 112, second paragraph.

(3) Appellants have not shown that the Examiner erred in finding that claims 18, 26, and 28 are unpatentable under 35 U.S.C. § 112, second paragraph.

(4) Appellants have not shown that the Examiner erred in finding that claims 1-11, 13-37, 39, 41, and 42 are unpatentable under 35 U.S.C. § 103(a) over the teachings of Pricewatch and Yahoo.

(5) Appellants have not shown that the Examiner erred in finding that claim 12 is unpatentable under 35 U.S.C. § 103(a) over the teachings of Pricewatch, Yahoo, and Morimoto.

(6) Appellants have not shown that the Examiner erred in finding that claim 38 is unpatentable under 35 U.S.C. § 103(a) over the teachings of Pricewatch, Yahoo, and eBay.

(7) Appellants have not shown that the Examiner erred in finding that claim 40 is unpatentable under 35 U.S.C. § 103(a) over the teachings of Pricewatch, Yahoo, and Google.

(8) Claims 1-42 are not patentable.

#### DECISION

The Examiner's rejection of claims 21 and 36 under 35 U.S.C. § 112, first paragraph is affirmed. The Examiner's rejection of claims 16, 17, 21, and 36 under 35 U.S.C. § 112, second paragraph is reversed. The Examiner's rejection of claims 18, 26, and 28 under 35 U.S.C. § 112, second

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paragraph is affirmed. The Examiner's rejection of claims 1-42 under 35 U.S.C. § 103(a) is affirmed.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a).

AFFIRMED

rwk

SHAPER ILER LLP  
1800 WEST LOOP SOUTH  
SUITE 1450  
HOUSTON TX 77027